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COMMENTS OF THE ENVIRONMENTAL LAW & POLICY CENTER, CITIZENS UTILITY BOARD, CITY OF CHICAGO, ILLINOIS SOLAR ENERGY ASSOCIATION, SOLAR ENERGY INDUSTRIES ASSOCIATION, AND THE VOTE SOLAR INITIATIVE REGARDING DRAFT REVISIONS TO THE ILLINOIS NET METERING RULE

The Environmental Law & Policy Center (ELPC), Citizens Utility Board (CUB), City of Chicago (City), Illinois Solar Energy Association (ISEA), Solar Energy Industries Association (SEIA)¹ and the Vote Solar Initiative (Vote Solar) (collectively the “Joint Commenters”) appreciate the opportunity to comment on Staff’s May 13, 2014 draft revisions to the Illinois Net Metering rule at 83 Ill. Adm. Code Part 465.² As noted in previous rounds of comments, net metering is one of the most effective policies for supporting customer generation of renewable energy and has been pivotal in reducing barriers to distribution generation in 43 states and the District of Columbia.

In general, ELPC supports Staff’s most recent proposed amendments because they:

- Update the eligibility and billing provisions to be consistent with amendments to the Illinois net metering statute at Section 16-107.5 of the Illinois Public Utility Act.
- Clarify that a net metering customer’s delivery service credits do not automatically expire when a customer switches to another electricity supplier;
- Help facilitate necessary information sharing between utilities and other electricity providers to enable a smoother net metering experience for customers when they switch electricity providers;
- Clarify the procedure for electricity provider “consideration” of meter aggregation proposals.

We have the following additional recommendations that we respectfully submit for Staff’s and the other parties’ consideration.

- (1) The Commission should clarify that electricity providers must offer net metering at rates that are identical to the rates that the customer would be charged if not a net metering customer.**

¹ These are the comments of SEIA and do not necessarily reflect the views of any one member of the association.

² See <http://www.icc.illinois.gov/electricity/NetMetering.aspx>

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Section 16-107.5(e-5) of the Illinois Public Utility Act requires electricity providers to offer net metering at non-discriminatory rates that are identical in all respects to the rates that customers would be charged if they were not net metering customers:

An electricity provider shall provide electric service to eligible customers who utilize net metering at non-discriminatory rates that are identical, with respect to rate structure, retail rate components, and any monthly charges, to the rates that the customer would be charged if not a net metering customer. An electricity provider shall not charge net metering customers any fee or charge or require additional equipment, insurance, or any other requirements not specifically authorized by interconnection standards authorized by the Commission, unless the fee, charge, or other requirement would apply to other similarly situated customers who are not net metering customers.

220 ILCS 5/16-107.5(e-5).

We are aware of at least one electricity provider that is requiring net metering customers in Illinois to accept a different rate than the rate they are offering to other similarly situated customers. We recommend that the Commission include the preceding language from Section 16-107.5 directly in the net metering rule so that electricity providers are aware of this prohibition against discriminatory rates.

(2) The Commission should ensure that customers do not lose net metering customer status or accumulated bill credits when they switch between electricity providers.

As described in earlier rounds of comments, many existing net metering customers have had their net metering contracts canceled and have experienced lengthy delays and the loss of net metering billing credits when switching (voluntarily or through municipal aggregation) from utility service to a retail electric supplier. This is continuing to cause substantial confusion and frustration in the market. (See Attachment A)

As ICEA and RESA point out in their August 21, 2013 comments, there is no reason why a customer should lose his or her net metering customer status and net metering distribution credits just because the customer switches his or her electricity supplier. The current draft rule takes steps to address this problem by clarifying that electric utilities may not cancel a customer's accumulated delivery service credits when that customer switches to another electricity supplier and remains a net metering customer.

In addition, we understand the Commission's Final Order in Docket 13-0506 to enable utilities to identify existing net metering customers to an ARES when those customers switch supply service. We recommend further discussion of this issue and, potentially, amended rule language to clarify the process by which utilities will identify net metering customers to ensure that customers do not lose their net metering customer status when they switch electricity suppliers.

(3) The Commission should ensure compliance with the Act's application and reporting requirements and should publish annual net metering reports to promote transparency and accountability.

Section 465.35(a) of the draft rule requires all electricity providers to “establish an application form and procedures to enable eligible customers to participate in the net metering program offered by the electricity provider.” Section 465.40 requires all electricity providers to file annual reports summarizing the status of their net metering programs. According to ELPC’s research, compliance with these requirements has been spotty. Of the 81 ARES licensed to do business in Illinois in 2013, only 26 companies filed net metering reports, and only 19 companies reported having any net metering customers. As of June 2, 2014, we are aware of only 27 of 87 ARES licensed in Illinois that filed their required 2014 net metering reports with the Chief Clerk or the Manager of the Energy Division of the Commission.

As noted in our previous comments, this lack of compliance with the Commission’s reporting requirements is contributing to the current state of confusion and frustration among net metering customers in the state. Companies that do not file annual reports should be reminded of their responsibility to do so or face penalties as provided under the rules. *See* Section 465.70. In order to promote accountability and compliance, the Commission should also publish the required annual net metering reports on a central webpage on the Commission’s website. We support Staff’s elimination of the requirement to report peak load data as part of the annual reports and believe that this will enable the ARES to file net metering reports without seeking confidential treatment.

(4) The Commission should develop a net metering guideline document that could serve as the basis for consistent application of net metering throughout the state.

As discussed above and in prior rounds of comments, there remains a great deal of confusion and frustration about the net metering process and requirements in Illinois, particularly as they relate to programs offered by competitive retail electricity suppliers. (See Attachment A for some recent customer testimonials collected by the Illinois Solar Energy Association that illustrate some of these problems.) In its July 23, 2013 comments, IREC suggested that the Commission work with stakeholders through an informal process to develop a guideline document that could serve as the basis for consistent application of net metering throughout the state. IREC noted that other states with retail competition, including Maryland and Massachusetts, have created user-friendly guidelines and stakeholder processes to demystify the process for potential net metering customers and electricity providers. We recommend that the Commission work with IREC and other parties to initiate a similar process in Illinois to improve the customer net metering experience.

(5) The Commission should convene a workshop process to begin developing avoided cost rates that more accurately reflect the grid benefits of distributed generation.

Under the draft rule, “non-competitive customers” receive compensation for net excess generation “at the electricity provider’s avoided cost of electricity supply.” *See* Sec. 465.50(c). In previous rounds of comments, the Joint Commenters and IREC recommended that the

Commission undertake a workshop process to consider establishing technology-specific avoided cost pricing that takes into account transmission, distribution, and other location-based benefits of distributed generation.³ As IREC pointed out, a NEM-specific or distributed generation-specific avoided cost rate could help capture the unique operating characteristics of clean, peak-correlated generating resources that are located close to load. We look forward to discussing this recommendation with Staff and the other parties.

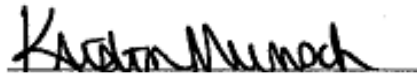
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The Joint Commenters look forward to further engaging in the Commission's rulemaking process to help improve the implementation of Illinois' net metering policy. Representatives of our organizations will plan to participate in any follow-up workshop discussions that the Commission schedules to answer questions and provide specific examples of the issues discussed in our written comments.

Respectfully submitted,



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³ See Interstate Renewable Energy Council, Unlocking DG Value: A PURPA-Based Approach to Promoting DG Growth (May 2013) (available at <http://www.irecusa.org/wp-content/uploads/2013/05/Unlocking-DG-Value.pdf>).

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